GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1091
ANSWERED ON:21.07.2017
Regulatory Action against Banks
Reddy Shri Midhun

Will the Minister of FINANCE be pleased to state:

(a) whether several banks are facing regulatory action in the face of worsening of financial ratios; and

(b) if so, the details thereof?

Answer

The Minister of State in the Ministry of Finance

(a) & (b): Yes. Reserve Bank of India (RBI) has revised the existing Prompt Corrective Action (PCA) framework effective from April 01, 2017. Under the framework four indicators viz. Capital to Risk Weighted Assets Ratio (CRAR), Common Equity Tier (CET) 1 Ratio, Net Non-Performing Asset (NPA) Ratio and Return on Assets are monitored against defined triggers. Leverage ratio is monitored additionally as part of the framework.

****